



Report for 1st quarter 2007

Strong growth in sales turnover

The company's operating revenues in the first quarter totalled NOK 312.8 million, compared with NOK 111.0 million for the corresponding period in 2006. Earnings before depreciation in the first quarter were NOK 37,3 million, compared with NOK 7.9 million for the corresponding period in 2006. For the respective divisions, the EBITDA margins were 15 % for Geographic Information and 13 % for Offshore Technology. The pre-tax profit was NOK 6.9 million, compared with a loss of NOK 8.4 million for 2006.

The results show a clear improvement in relation to the corresponding period in 2006. The margins are generally better than budgeted, at the same time as they are normally lower in the 1st quarter than budgeted for the remainder of 2007. The company's operations have performed well in all areas, but a great portion of the increase can be attributed to the acquisition of ScanRope AS, which took effect in our accounts as of 1 July 2006.

Due to strong growth in the underlying markets for both divisions and to improve our opportunities for continued focused growth further, the Board adopted a de-merger plan on 7 March 2007 that entails de-merger of the Offshore Technology division as a separate listed company. The Board's de-merger plan was approved by Blom's General Meeting of 12 April. It is expected that the shares in the de-merged company will be listed on the Oslo Stock Exchange in the second half of June 2007.

To meet the strong demand for ScanRope's products, the company has invested more than NOK 125 million over the last year to increase its production capacity. The Board has now decided to invest up to NOK 75 million in new storage equipment for manufactured cables. The company will then have the capacity to deliver products and services for more than NOK 1 billion per year based on today's prices and product mix.

Within Geographic Information, the company's European library of Pictometry images has been very well received. We have experienced that the sales processes are somewhat more extensive than originally expected. This has impacted our margin for the 1st quarter, while we are maintaining our high expectations for the company's database sales for the year.

Results

(Amounts in NOK 1000)	1 st Qtr. 2007	1 st Qtr. 2006	31.12.2006
IFRS			
Operating revenues	312 762	110 968	835 029
EBITDA	37 305	7 875	159 230
EBIT	16 021	-2 232	100 315
EBT	6 872	-8 430	70 359

Events in 1st quarter 2007

Offshore Technology

In January ScanRope inaugurated the largest cabling machine in Europe. This cabling machine is capable of handling all types of power and control cables. The machine is currently the last of ScanRope's investments totalling more than NOK 125 million over the last year to increase its production capacity.

The Board has therefore decided to invest NOK 75 million in new storage equipment for manufactured cables. The investment is planned to take place in 2007, and the investment is capitalized. The company will then have the capacity to deliver over NOK 1 billion annually.

ScanRope is experiencing a strong demand for power cables to offshore windmill parks. In the last six months the company has entered into two contracts for the delivery of power cables to two large windmill parks in the UK with a total contract value of around NOK 190 million. Power cables for offshore windmills are a new and exciting focus area for ScanRope, and the company is experiencing a growing demand for power cables for the windmill industry. The countries in the EU have undertaken to increase their share of renewable energy, and offshore windmill parks represent an important means by which these countries can increase their share of renewable energy.

Geographic Information

Blom is experiencing generally strong underlying growth in most of its business areas in the Geographic Information division. Technological developments shape the market and continuously create new application areas for use of the company's competence.

The introductory sale of Pictometry is taking somewhat longer than originally expected, but we are maintaining our high expectations for the company's database sales at the same time. Blom has entered into contracts for the delivery of Pictometry oblique photos in Norway, Sweden, Denmark, UK and Spain. Yellow pages in Norway (Eniro) have decided to utilize its option to buy Pictometry for the rest of the cities in Norway.

Blom has entered into distribution agreements for Pictometry with IGN and Infoterra in France as well as with GeoContent in Germany. The distribution agreements are non-exclusive. These distribution agreements will supplement the existing direct sales activities of Blom and Microsoft's B2B sales. Blom is very satisfied with having entered into distribution agreements for Pictometry with leading players in Germany and France.

In the 4th quarter the company reported that it had entered into a letter of intent with two Spanish partners relating to the development of software for navigation in photos. The partners have completed the first phase of the project now. The first phase has been successful and the goal is to launch the newly developed product in the 4th

quarter of 2007. Blom's intention is to launch the handheld navigation products in the rest of Europe.

Business areas

(Amounts in NOK 1000)

IFRS	Geographic Information		Offshore Technology		Group	
	2007	2006	2007	2006	2007	2006
1st quarter						
Operating revenues	136 633	100 952	176 129	10 016	312 762	110 968
EBITDA	19 861	13 520	23 030	-852	37 305	7 875
EBIT	6 642	3 954	14 965	-1 393	16 021	-2 232
Allocation of group costs	2 440	4 360	3 146	433		

This interim report is in accordance with the International Financial Reporting Standard (IFRS) and the interim reporting standard. The same accounting principles that are used in the annual accounts apply.

Organisation and personnel

The company has a staff of employees with a high level of competence. This represents the foundation for the company's future growth. As of 31 March 2007 there were a total of 766 employees in the operative companies, while there was a total of 345 employees at the production facilities in Indonesia and Romania.

Shareholder matters

The total number of shareholders as of 31 March 2007 was 2,942, and foreign shareholders accounted for 28.24% of all the share capital. A total of 82.2 million shares were traded during the period, up from 30.0 million shares in the previous period.

The company completed a private placement of 3,600,000 new shares on 18 January 2007 at a subscription price of NOK 36.00 per share. The share capital increase represented 9.8% of the share capital. The gross proceeds from the new issue totalled NOK 129.6 million. The proceeds were used for general purposes and to support further growth of the company.

The Board of Blom adopted a de-merger plan for the company's Offshore Technology division on 7 March 2007. The de-merger plan was approved by Blom's General Meeting of 12 April 2007.

The company's strategic goal for the de-merger is to make arrangements for and create two listed companies, both of which will have clear growth goals and a strong focus. The de-merger will be an element in a reorganisation of Blom that is to contribute to further development of the company's two business areas. The company believes that each of the divisions will increase their opportunities for organic and corporate growth on a stand-alone basis, which in turn will increase visibility and shareholder value.

The de-merger will be carried out by distributing 80% of the business in the Offshore Technology division to the shareholders of Blom ASA. The shareholders will receive one share in the holding company Scan Subsea ASA for each share in Blom. After completion of the de-merger Blom ASA will own 20% of the shares in Scan Subsea ASA. Blom ASA will receive a claim against Scan Subsea ASA with a total value of NOK 92.5 million in connection with the de-merger of the holding company. This claim will be convertible into shares of Scan Subsea during the first 18 months after the resolution by the General Meeting. The de-merger will be based on an exchange ratio of 72:28 between the remaining and de-merged business, respectively.

Future outlook

Blom is expecting continued organic growth in Offshore Technology. In Geographic Information the products and solutions the company has decided to focus on are still in an early commercial phase. The company can see a positive development in navigation, telecommunication and Internet-based solutions for the company's databases today. This development is expected to accelerate further in 2007.

The company's General Meeting approved the de-merger of Offshore Technology into a new listed company on 12 April. The Board believes that the de-merger will enable a better development of the company's two business areas and make the value in Blom visible in the best interests of the company's shareholders. It is expected that the de-merged company Scan Subsea will be listed on the Oslo Stock Exchange in the second half of June 2007.

Oslo, 2 May 2007
Board of Directors of Blom ASA

Profit and Loss Account

OPERATING REVENUES AND EXPENSES

(Amounts in NOK 1000)

	31.03.2007	31.03.2006	31.12.2006
Operating revenues	312 762	110 968	801 644
Other revenues	0	0	33 385
Total operating revenues	312 762	110 968	835 029
Cost of materials	156 243	32 989	306 911
Salaries and personnel costs	86 421	52 844	276 896
Ordinary depreciation	21 284	10 107	58 915
Other operating and administrative costs	32 792	17 260	91 992
Operating expenses	296 740	113 200	734 714
Operating profit/loss	16 021	-2 232	100 315
Financial income and expenses			
Financial income	1 411	907	14 418
Financial expenses	10 560	7 105	44 374
Net financial items	-9 149	-6 198	-29 956
Pre-tax profit/loss	6 872	-8 430	70 359
Taxes	-1 958	2 329	-7 684
Net profit/loss for the year	4 914	-6 102	62 675
Earnings and diluted earnings per share	0.12	-0.19	1.81

Balance Sheet

ASSETS

(Amounts in NOK 1000)

	31.03.2007	31.03.2006	31.12.2006
Fixed assets			
<i>Intangible fixed assets</i>			
Patents, licences and similar rights	157 120	21 801	150 668
Deferred tax assets	6 765	32 406	4 938
Goodwill	277 642	265 998	282 561
Total intangible fixed assets	441 527	320 205	438 167
<i>Tangible fixed assets</i>			
Machinery, fixtures, vehicles, etc.	383 263	161 745	378 052
Total tangible fixed assets	383 263	161 745	378 052
<i>Fixed asset investments</i>			
Long-term receivables	22 193	15 434	21 842
Total fixed asset investments	22 193	15 434	21 842
Total fixed assets	846 984	497 384	838 061
Current assets			
<i>Stocks</i>			
Stocks	46 079	3 659	39 939
Work in progress	202 914	132 231	139 884
Total stocks	248 993	135 890	179 823
<i>Receivables</i>			
Receivables from customers	243 487	95 734	270 110
Other current receivables	50 441	32 707	56 034
Total receivables	293 928	128 441	326 144
Cash in hand, bank deposits	128 610	55 943	81 408
Total current assets	671 530	320 274	587 375
TOTAL ASSETS	1 518 514	817 658	1 425 436

Balance Sheet

EQUITY AND LIABILITIES

(Amounts in NOK 1000)

Equity	31.03.2007	31.03.2006	31.12.2006
<i>Called-up and fully paid share capital</i>			
Share capital	4 034	3 294	3 674
Share premium account	334 041	126 127	209 881
<i>Other reserves:</i>			
Unrecognised equity	11 916	2 352	21 054
Retained earnings	143 466	69 832	138 551
Total equity	493 457	201 605	373 160
<i>Provisions for liabilities</i>			
Pension liabilities	28 363	20 330	28 430
Total provisions for liabilities	28 363	20 330	28 430
<i>Other long-term liabilities</i>			
Long-term liabilities	462 003	335 387	477 902
Total other long-term liabilities	462 003	335 387	477 902
<i>Current liabilities</i>			
Bank overdraft	119 216	95 497	123 130
Other interest-bearing short-term liabilities	57 671	8 087	57 001
Total interest bearing short-term liabilities	176 887	103 584	180 131
Payables to suppliers	141 902	54 385	126 167
Unpaid government taxes	20 702	10 103	41 552
Other current liabilities	195 201	92 264	198 094
Total other current liabilities	357 805	156 752	365 813
Total current liabilities	534 692	260 336	545 944
TOTAL EQUITY AND LIABILITIES	1 518 514	817 658	1 425 436

Change in equity from 1 January to 31 March

	2007	2006
Equity as of 1 January	373 160	189 486
Profit/loss for the period	4 914	-6 102
New share capital by issue of new shares	360	57
Premium on share issue	124 160	20 082
Foreign exchange losses/gains from translation of foreign subsidiaries	-9 138	-1 918
Equity as of 31 March	493 457	201 605

Cash Flow Statement

Indirect model (Figures in NOK 1000)

	As of 31 March	
	2007	2006
CASH FLOW FROM OPERATIONAL ACTIVITIES		
Pre-tax profit/loss	6 872	-8 430
- Gain on sale of real estate	0	0
+ Depreciation and amortisation of operating assets	21 284	10 107
+/- Change in receivables from customers	26 624	29 636
+/- Change in stocks and work in progress	-69 170	-14 770
+/- Change in supplier debt	15 735	-8 516
+/- Change in other accruals	-23 075	-2 196
A = Net cash flow from operational activities	-21 730	5 831
CASH FLOW FROM INVESTMENT ACTIVITIES		
- Payments for purchase of operating assets	-37 056	-19 642
- Payments for acquisition of companies	-934	-61 773
B = Net cash flow from investment activities	-37 990	-81 415
CASH FLOW FROM FINANCING ACTIVITIES		
- Payments on long-term debt and loans	-13 240	-9 692
+/- Net change in bank overdraft	-3 914	14 578
+ Net receipt of equity capital	124 160	0
C = Net cash flow from financing activities	107 005	4 886
A+B+C Net change in cash and cash equivalents	47 286	-70 698
+ Cash and cash equivalents	81 408	126 641
= Cash and cash equivalents	128 694	55 943

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